Encouragement to small savings

3144. SHRI RAJEEV SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government considers that small savings have a role to play in the Indian economy;

(b) if so, the reasons for discouraging small savings by its anti-small savings policies such as reduction in the rates interests on provident funds, NSS, Kisan Vikas Patras, other Post Office Schemes etc.;

(c) whether Government have analysed the impact of the above decisions on the welfare of poor and middle class people in the country; and

(d) if so, the results thereof and what steps are being proposed/ being taken to encourage small savings and make small savings attractive?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Savings play a very important role in the economy of the country. The decision to rationalise interest rates on small savings schemes has been taken as the real rates of interest were considered to be high preventing downward movement of other rates of interest in the economy. A lower interest structure is expected to stimulate growth from which all sections of the society would benefit. Steps are taken by the Government from time to time to safeguard the interests of the small investors by ensuring attractive returns, tax benefits liquidity and accessibility.

Abolition of posts in different Ministries of Government

3145. SHRI NARENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is fact that the beginning made by the Ministry of Finance in downsizing the administrative apparatus by abolishing various posts from Secretary level to Section Officers is a welcome sign;